



ORIGINAL



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April 16, 2009

Madison District Office
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Dear Commissioner:

I am writing on behalf of the Madison School District. We are greatly concerned about the future of Solar Service Agreements (SSAs). Specifically, we are referring to the application of the Solar Alliance for a declaratory order that providers of Solar Service Agreements should not be considered Public Service Corporations (Docket No. E-20633A-08-0513). We believe it is imperative that the Commission rule in favor of the Solar Alliance in this matter.

In today's credit market, SSAs provide an ideal way to overcome the high up-front capital costs and long-term risks of a solar system. They are the preferred means of financing solar installations in Arizona. This is a straight forward agreement which helps many customers avoid the risks associated with new energy systems and assures the customer that the system will be maintained and performing appropriately over the life of the agreement.

The SSA also provides customers with an option to purchase the system from the Integrator at different periods of times in the contract, making it feasible for the customer to own the system when the financial timing is right. Without such options, the customers are only left with the option to pay all the money up front, and then bear the risks of performance of the equipment or supplier down the road. The SSAs in and of their nature, i.e., pay for performance, provide protections to consumers which negate the need for regulating the agreements and/or companies providing such options.

As a customer interested in the SSA option, we believe regulation of these offerings will seriously and negatively limit our decision to move forward with a solar installation. It has introduced a high-level of uncertainty into the market and, in general, puts more risk on the customer regarding the technology, installation, and long-term performance associated with putting solar on our property. The Commission's decision on this matter is therefore a matter of great concern to us.

I appreciate your consideration and I hope that we will soon be able to proceed with our SSA projects following the Commission's decision.

Respectfully,

Lori Garvey

Lori Garvey
Executive Director, Administrative Services

Arizona Corporation Commission

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[Signature]

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